

**VIRGINIA COLLEGE BUILDING AUTHORITY  
BOARD OF COMMISSIONERS MEETING**

**September 12, 2008 10:30 a.m.**  
Treasury Board Conference Room  
James Monroe Building  
101 North 14<sup>th</sup> Street, 3<sup>rd</sup> Floor  
Richmond, Virginia

Members Present: William L. Nusbaum, Chairman  
Vinod B. Agarwal  
John “Jack” F. Carter  
Daniel J. LaVista  
Joseph S. Testa  
Daniel S. Timberlake  
David A. Von Moll

Members Absent: Heidi W. Abbott, Vice-Chairman  
J. Braxton Powell  
Edward Villanueva  
Elaine R. Wilde

Others Present:	Stephanie L. Hamlett, Esq. Charles P. Shimer, Esq. Robert E. Gordon, Esq. Russell Carmichael Josh Fox Evelyn Whitley Janet A. Aylor  Jeanine Black Treasury Staff and others attended	Attorney General’s Office Troutman Sanders LLP Troutman Sanders LLP State Council of Higher Education Auditor of Public Accounts Secretary, VCBA, Department of the Treasury Assistant Secretary, VCBA, Department of the Treasury Department of the Treasury
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**Call to Order and Approval of Minutes**

Mr. Nusbaum called the meeting to order at 10:34 a.m. He asked if there were any members of the public present who wished to comment on Board activities. There were no public comments.

Mr. Nusbaum then asked if there were any comments on or corrections to the minutes of the June 25, 2008, Virginia College Building Authority Board Meeting. Hearing none, he requested a motion for approval of the minutes. Dr. Agarwal made the motion; Mr. Von Moll seconded, and all members present unanimously adopted the motion.

**Consideration of Issuance of Virginia College Building Authority Educational Facilities**

### **Revenue Bonds (Public Higher Education Financing Program), Series 2008A**

Ms. Black reviewed the Preliminary Financing Summary for the proposed issuance in the amount of \$275,015,000 (preliminary) of Virginia College Building Authority Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2008A. She introduced Ms. Janet Lee from Public Resources Advisory Group, financial advisor to the Authority, who participated by telephone. The Board received an overview of the upcoming bond issue and current market conditions from Ms. Lee. A further discussion ensued.

Mr. Charles Shimer from Troutman Sanders LLP, bond counsel to the Authority, introduced his colleague, Mr. Robert Gordon. He then distributed and reviewed a revised Resolution before the Board.

Mr. Carter moved the approval of the Resolution (Attachment A) of the Virginia College Building Authority authorizing the issuance and sale of its Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2008A; Mr. Testa seconded, and the motion was unanimously adopted by all members present.

### **Resolution of Recognition and Appreciation – Richard D. Brown**

Mr. Nusbaum stated that staff had drafted a Resolution of Recognition and Appreciation for Mr. Richard D. Brown who served as a member of the VCBA from June 1, 2001 to August 1, 2008. Mr. Nusbaum then read the last paragraph of the Resolution.

Dr. Agarwal moved the approval of the Resolution (Attachment B); Mr. Timberlake seconded, and the motion was unanimously adopted by all members present.

### **Other Business**

The board discussed scheduling of the next board meeting to consider a proposed variable rate financing for the College of William and Mary, School of Business. A further discussion ensued. It was unanimously decided that the next Virginia College Building Authority board meeting will be held on October 8, 2008 at 10:30 a.m.

### **Adjournment**

Having no other business to be brought before the Board, the meeting was adjourned at 11:17 a.m.

Respectfully submitted,  
Janet A. Aylor  
Assistant Secretary

/s/ Janet A. Aylor\_\_\_\_\_

Exhibits may be obtained by contact the Department of the Treasury at (804) 225-2142.

**VIRGINIA COLLEGE BUILDING AUTHORITY RESOLUTION  
AUTHORIZING THE ISSUANCE OF ITS EDUCATIONAL FACILITIES  
REVENUE BONDS (PUBLIC HIGHER EDUCATION FINANCING  
PROGRAM)**

**WHEREAS**, the Virginia College Building Authority (the “Authority”) is a body corporate and politic, constituting a public corporation and governmental instrumentality of the Commonwealth of Virginia created by the Virginia College Building Authority Act of 1966, Chapter 3.2, Title 23, Code of Virginia of 1950, as amended (the “Act”);

**WHEREAS**, the Authority is empowered, among other things, to finance the construction of projects of capital improvement (the “Projects”) at public higher educational institutions in the Commonwealth of Virginia (the “Institutions”) by issuing its revenue bonds and using the proceeds of such revenue bonds to purchase debt obligations issued by such Institutions, pursuant to Chapter 3 of Title 23 of the Code of Virginia of 1950, as amended, to finance or refinance such Projects;

**WHEREAS**, the issuance of such revenue bonds for such purpose is referred to as the “Public Higher Education Financing Program” (the “Program”), and multiple series of bonds have been issued under the Program (the “Prior Bonds”);

**WHEREAS**, in furtherance of the purposes of the Act and the Program, the Authority has determined to issue and sell a series of obligations issued for the Program under the Master Indenture of Trust dated as of September 1, 1997 (as previously supplemented, the “Master Indenture”), between the Authority and The Bank of New York Mellon, as trustee (the “Trustee”), as further supplemented by the Fourteenth Supplemental Indenture of Trust dated as of November 1, 2008 (the “Supplemental Indenture”), between the Authority and the Trustee, which obligations shall be the Educational Facilities Revenue Bonds (Public Higher Education Financing Program), with appropriate series designation depending on their issuance date (the “2008 Bonds”);

**WHEREAS**, the proceeds of the 2008 Bonds will be used to purchase debt obligations issued by certain participating Institutions (the “2008 Institutions”) pursuant to the 2008 Loan Agreements described below to finance or refinance the construction of certain Projects (the “2008 Projects”) described in Exhibit A hereto provided that one or more of such Institutions may determine before the 2008 Bonds are issued to finance one or more of such Projects in another way or at another time and, accordingly, the final list of 2008 Institutions and 2008 Projects may include fewer Institutions and Projects than are listed in Exhibit A hereto, as shall be determined by the State Treasurer as provided herein;

**WHEREAS**, the 2008 Bonds will be offered for sale pursuant to a Preliminary Official Statement, to be dated the date of its release (the “Preliminary Official Statement”) and will be awarded by the Authority through a competitive electronic bidding process using a

Notice of Sale, to be dated the date of the Preliminary Official Statement (the “Notice of Sale”), which states the structure and terms of the sale of the proposed 2008 Bonds; and

**WHEREAS**, Institutions whose Projects were financed or refinanced with proceeds of Prior Bonds (the “Transferring Institutions”) may desire, in accordance with certain provisions of the Master Indenture, to use a portion of the proceeds of the Prior Bonds attributable to Projects which have been completed at a cost under the anticipated amount (the “Excess Proceeds” of the “Prior Projects”) on 2008 Projects (the “Project Transfer”); and

**WHEREAS**, the Master Indenture provides that a Transferring Institution submit a completion certificate for each Prior Project, and upon such submission, the Authority may maintain the Excess Proceeds in the Construction Account created under the Indenture for the Prior Projects to the extent needed to pay the Costs of any Projects; *provided* that (a) there is reserved in such Construction Account an amount for remaining Costs of the Prior Projects and any Rebate Amount owing by the Transferring Institution in connection with the Prior Bonds and (b) the Transferring Institution has caused to be delivered to the Trustee an Opinion of Counsel to the Authority to the effect that the Project Transfer is authorized or permitted; and (c) the applicable supplemental indenture permits the exhibit thereto listing certain amounts and deposits relating to the Prior Projects to be amended or supplemented by the Authority and the Trustee from time to time without the consent of the Holders; and

**WHEREAS**, the foregoing arrangements will be reflected in the following documents, drafts of which have been presented to this meeting and filed with the Authority’s records:

- (a) the Supplemental Indenture, together with the form of the 2008 Bonds attached as Exhibit A thereto;
- (b) a form of the Loan Agreement dated as of November 1, 2008 to be entered into between the Authority and each 2008 Institution (the “2008 Loan Agreements”), providing for certain matters regarding the issuance and purchase of the 2008 Notes (as described below) and the development and operation of the 2008 Projects;
- (c) a form of the Note to be issued by each 2008 Institution to the Authority, in the form attached to the form of the 2008 Loan Agreement as Exhibit B (the “2008 Notes”), and the form of the Assignments appended thereto (the “2008 Assignments”) pursuant to which the Authority assigns the 2008 Notes to the Trustee, without recourse, as security for the 2008 Bonds and other obligations that have been and may be issued under the Master Indenture;
- (d) the Preliminary Official Statement with respect to the 2008 Bonds;
- (e) the Notice of Sale with respect to the 2008 Bonds;
- (f) a form of the Amendment to Supplemental Indenture, to be entered into by the Authority and the Trustee, and to be agreed to by the Transferring Institutions,

authorizing the transfer of excess funds from Prior Projects, which have been completed for costs under the anticipated amount, to 2008 Projects; and

- (g) a Continuing Disclosure Agreement of the Authority, in the form attached to the Preliminary Official Statement as Appendix D (the “Continuing Disclosure Agreement”).

**NOW, THEREFORE, BE IT RESOLVED BY THE VIRGINIA COLLEGE BUILDING AUTHORITY:**

**1. Preliminary Official Statement; Notice of Sale.** The Preliminary Official Statement, in substantially the form presented at this meeting with such completions, omissions, additions and changes as shall be approved by the State Treasurer (the Treasurer of the Authority) or his staff in connection with the offering and sale of the 2008 Bonds, is approved and the distribution thereof is authorized. The Authority authorizes the State Treasurer to deem the Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”), and distribution of the Preliminary Official Statement shall constitute conclusive evidence that it has been deemed final as of its date, except for the omission of such pricing and other information permitted to be omitted by the Rule. The Notice of Sale in substantially the form presented at this meeting, with such completions, omissions, additions and changes as shall be approved by the State Treasurer or his staff in connection with the offering and sale of the 2008 Bonds, is approved and the distribution and advertisement thereof is authorized.

**2. Competitive Bidding; Credit Ratings.** The Authority authorizes and directs its staff, its financial advisor, Public Resources Advisory Group, and its bond counsel, Troutman Sanders LLP: (a) to prepare all documentation and take all action necessary or desirable to bring the 2008 Bonds to market through a competitive bidding process, which may include electronic bidding, as soon as practicable, (b) to advertise the 2008 Bonds for sale and (c) to take such actions as shall be necessary or appropriate to obtain a rating or ratings for the 2008 Bonds from Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., Fitch Ratings, Inc., and/or Moody’s Investors Service, Inc.

**3. Issuance and Sale of 2008 Bonds.** Pursuant to the Act, the Authority authorizes the issuance of its 2008 Bonds in accordance with the Supplemental Indenture and the sale thereof in accordance with the Notice of Sale, including the receipt of bids electronically; *provided, however*, that (a) the aggregate principal amount of the 2008 Bonds shall not exceed \$305,000,000; (b) the true interest cost of the 2008 Bonds, determined in accordance with the terms of the Notice of Sale, shall not exceed 5.00%, taking into account original issue discount or premium, if any; (c) the final maturity of the 2008 Bonds does not exceed September 1, 2038; and (d) the 2008 Bonds shall have regularly scheduled payments of principal and interest that do not exceed the sum of the Basic Payments due under, and as described in, the 2008 Notes.

**4. Bond Documents.** The Authority ratifies and confirms the Master Indenture. The form of the Supplemental Indenture, including the form of the 2008 Bonds and the form of the 2008 Loan Agreements, including the form of the 2008 Assignments, and the form of the Amendment to Supplemental Indenture, are approved by the Authority with such changes, insertions, additions and deletions as the State Treasurer shall approve. The approval

of any such changes, insertions, additions and deletions shall be evidenced conclusively by the execution and delivery of the 2008 Bonds by the officers of the Authority. The Authority hereby authorizes and directs its officers to execute and deliver the Supplemental Indenture, the 2008 Bonds, the 2008 Loan Agreements and the 2008 Assignments, and the Amendment to Supplemental Indenture.

**5. Delegation to State Treasurer; Award of Series 2008 Bonds.** The Authority hereby delegates to the State Treasurer the power with respect to the 2008 Bonds, subject to the limitations set forth in paragraph 3: (a) to determine the final list of the 2008 Institutions, the 2008 Projects, and the Transferring Institutions; (b) to determine the details of the 2008 Bonds and the 2008 Notes, including, without limitation, the maturity schedule, the interest rates and the redemption provisions; (c) to deem the Preliminary Official Statement final as of its date as contemplated in paragraph 1 and to complete the Preliminary Official Statement in final form as contemplated in paragraph 6; (d) to postpone or cancel the sale of the 2008 Bonds in his sole discretion; (e) to award the 2008 Bonds to the responsive bidder whose bid offers to purchase the 2008 Bonds at the lowest true interest cost to the Authority as determined by Public Resources Advisory Group, the Authority's financial advisor (the "Winning Bidder" and the "Winning Bid"), all in accordance with the terms of the Notice of Sale; and (f) to take all such further action as may be necessary or desirable for the issuance and sale of the 2008 Bonds and to effect the Project Transfers.

**6. Official Statement.** The Authority authorizes and directs the State Treasurer and his staff to complete the Preliminary Official Statement as an official statement in final form (the "Official Statement"). The Chairman or Vice-Chairman of the Authority, either of whom may act, is authorized and directed to execute the Official Statement, which execution shall constitute conclusive evidence of his approval of the Official Statement and that the Authority has deemed it final within the meaning of the Rule. The Authority authorizes and directs its staff to arrange for the delivery to the Winning Bidder of a reasonable number of copies of the Official Statement, within seven business days after the sale date of the 2008 Bonds, for distribution by the Winning Bidder to each potential investor requesting a copy thereof and to each person to whom the Winning Bidder initially sells 2008 Bonds. The Authority authorizes and approves the distribution of the Official Statement by the Winning Bidder.

**7. Continuing Disclosure.** The Authority covenants to undertake ongoing disclosure and to provide "annual financial information" and "material event notices" in accordance with the Continuing Disclosure Agreement, for the benefit of holders of the 2008 Bonds to assist the Winning Bidder in complying with the Rule. The Authority authorizes and directs its Chairman, Vice Chairman, Treasurer or any of its officers to execute the Continuing Disclosure Agreement in substantially the form attached as Appendix D to the Preliminary Official Statement presented at this meeting, which is approved with such completions, omissions, insertions and changes as the Chairman, Vice Chairman, Treasurer or any of the Authority's officers may approve. The execution by the Chairman, Vice Chairman, Treasurer or any of the Authority's officers of the Continuing Disclosure Agreement shall constitute conclusive evidence of approval of any such completions, omissions, insertions and changes.

**8. Other Documents.** The Authority authorizes and directs its officers and staff to execute and deliver all certificates, instruments and documents and to take all such

further action as they may consider necessary or desirable in connection with the issuance and sale of the 2008 Bonds and the Project Transfer. Such certificates may include a certificate (a) setting forth the expected use and investment of proceeds of the 2008 Bonds to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations thereunder, (b) making any elections that such officers deem desirable regarding any provisions requiring rebate to the United States of arbitrage profits earned on investments of proceeds of the 2008 Bonds, and (c) providing for payment of any such rebate amount.

**9. Other Actions.** The Authority approves and confirms all other actions of its officers and staff which are in conformity with the purpose or intent of this Resolution and in furtherance of (a) the issuance and sale of the 2008 Bonds, the use of the proceeds thereof, and the effecting of the Project Transfer and (b) the implementation of the Program.

**10. Administrative Fee.** The General Assembly of Virginia has authorized the Authority to charge, and the Authority hereby provides that it will charge, each 2008 Institution an administrative fee of 10 basis points of the amount financed for each 2008 Project. Such fee shall be due upon the issuance of the 2008 Bonds.

**11. Effective Date.** This Resolution shall take effect immediately upon its adoption.

Adopted: September 12, 2008

The undersigned Assistant Secretary of the Virginia College Building Authority certifies that the foregoing is a true and correct copy of a Resolution adopted by the Board of Commissioners of the Authority, upon the vote as noted below, at a duly called meeting of the Board of Commissioners held on September 12, 2008.

<u>Commissioner</u>	<u>Present/Absent</u>	<u>Vote</u>
J. Braxton Powell	Absent	
David A. Von Moll	Present	Aye
Daniel S. Timberlake	Present	Aye
Daniel J. LaVista	Present	Aye
William L. Nusbaum	Present	Aye
John F. "Jack" Carter II	Present	Aye
Heidi W. Abbott	Absent	
Vinod B. Agarwal	Present	Aye
Joseph S. Testa	Present	Aye
Elaine R. Wilde	Absent	
Edward Villanueva	Absent	

/s/ Janet A. Aylor  
Assistant Secretary,  
Virginia College Building Authority

Date: September 12, 2008



## EXHIBIT A

2008 INSTITUTION	PROJECT NUMBER	2008 PROJECT
<b>Christopher Newport University:</b>	17361	Expand Athletic Facilities II
	17567	Construct Ratcliffe Hall Addition
	17633	Land Acquisition
<b>College of William and Mary:</b>	16296	Construct Integrated Science Center
<b>George Mason University:</b>	16523	Arlington Phase II
	16745	Prince William Performing Arts Center
	17049	Construct: Parking Deck III
	17054	Physical Education Addition/Renovation
	17142	Fairfax Surge Space Fit Out Data Center
	17365	Construct: Academic VI and Research II Facility
	17368	Physical Education Addition Phase II
	17371	Prince William Regional Biomedical Laboratory
	17374	Construct: Hotel and Conference Center
	17485	Renovate & Construct: Addition to Student Center I
	17508	Renovate Student Union II Building
	17573	Parking Deck III Phase II
	17574	West Campus Connector and Campus Entrances
<b>James Madison University:</b>	17096	New Construction: Multipurpose Recreational Fields
	17505	New Construction: Softball and Baseball Complex
<b>Longwood University:</b>	17318	Addition and Renovation of Lankford Hall
	17322	Renovation of Athletic Offices and Support Facilities
	17323	Heating Plant Phase III
<b>Old Dominion University:</b>	17347	Construct Parking Facility on 49th Street
	17483	Powhatan Sports Center
<b>Virginia Commonwealth University:</b>	16721	Medical Sciences Building, Phase II
	17405	Monroe Park & MCV Campus Recreation Facilities
<b>Virginia Community College System:</b>	17068	Construct: Student Center, Norfolk Campus
<b>Virginia Polytechnic Institute &amp; State University:</b>	17120	Upgrade Campus Heating Plant
	17556	Repair McComas Hall Exterior Wall Structure

# ***VIRGINIA COLLEGE BUILDING AUTHORITY***



## **Resolution of Recognition and Appreciation**

**Richard D. Brown**

**September 12, 2008**

**WHEREAS**, Richard D. Brown has served on the Board of Directors of the Virginia College Building Authority from his appointment as Acting Director of the Department of Planning and Budget on June 1, 2001 through his term as Director of the Department of Planning and Budget which ended on August 1, 2008;

**WHEREAS**, throughout his years on the Board of Directors, Mr. Brown has shown his dedication to the goals and objectives of the Authority by generously sharing with the Authority's directors and staff his sage advice and counsel, as the Authority provided financing for various facilities for use by institutions of higher education, both public and private, throughout the Commonwealth of Virginia;

**WHEREAS**, during Mr. Brown's tenure the Authority issued \$2.590 billion of tax-exempt bonds and notes for the Authority's 21<sup>st</sup> Century College and Equipment Programs, the Authority's Pooled Bond Program and the Authority's Private College Program including the Authority's first refunding bonds and first variable rate bonds.

**WHEREAS**, Mr. Brown now has been appointed Secretary of Finance, where he will continue his career of service to the Commonwealth of Virginia;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Virginia College Building Authority that the Authority does hereby recognize and express its appreciation for the dedication and unselfish service of Mr. Richard D. Brown and for those excellent qualities of his personality and character which they have been privileged to enjoy.

Chairman of the Board of Directors